leather in the interest of textile and leather units of country;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) and (b) Exports of different textile and leather items from India to Germany in the first half of 1998 have shown mixed performance. While the overall export of textiles during this period registered a net increase, there was a decline in the export of leather items.

The reasons for the decline include overall decline in German Imports, competition from the South East Asian countries due to their currency depriciation advantage, lag created by closure/re-location of tanneries within India having a delayed effect, inadequate diversification in product range etc.

(c) to (e) Government continues to take steps to increase export of different products from India to Germany including textiles and leather. These include preparation of market surveys/reports/ news bulletins etc. and their dissemination, follow-up of various trade related issues both at the Government and at business level, focussed participation in international trade fairs and exhibitions, assistance to business delegations etc.

Business with US Companies

810. SHRIMATI KAMLA SINHA:
SHRI GURUDAS DAS GUPTA:
SHRI J. CHITHARANJAN:
SHRI SURESH KALMADI:

Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that US Government have banned a number of Indian companies and their subsidiaries from having any business with the US companies;

(b) if so, the details thereof and the reasons therefor;

(c) what is its likely impact on the Indian economy; and

(d) what is Government's reaction thereto?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) and (b) USA announced certain restrictive economic measures under its Nuclear Proliferation Prevention Act of 1994 against India first on 13th May 1998 in the wake of the nuclear explosions by India. On 29th May 1998 the Bureau of Export Administration (BXA) under US Department of Commerce announced certain interim guidelines imposing restrictions on US exports of dual use goods and technology which were earlier subject to export licencing, followed by a notification of specific measures on 18th June 1998. On 19th November 1998, the US has notified 40 Indian entities along with 200 subordinate entities, which will be covered by export restrictions. The list specifies the entities believed to have been involved in the nuclear and missile related programmes and includes organisations in the field of atomic energy, space, defence, establishments involved in conventional military activities and a number of Indian public and private sector companies. US exporters would require licences to export to the listed entities and most licences would be denied, except for items intended to ensure the safety of civil aviation and safe operation of commercial passenger aircraft.

(c) and (d) The Government has been closely monitoring the economic measures announced against India and continuously assessing their likely impact. Though any precise quantification of the impact of the economic measures may be difficult, so far the impact has been minimal. The fundamentals of the Indian economy are strong enough to be able to withstand any pressure arising out of the economic sanctions.